

## Modern Management Theory

- ⇒ Modern management theory highlights the use of systematic mathematical techniques to analyze and understand the inter-relationship of mgt and workers in all aspects.
- ⇒ Modern Management Theory highlights the use of systematic mathematical techniques to analyze and understand the inter-relationship between workers and management in all aspects.

Two streams of modern management are:-

- (1) Systematic Approach
- (2) Contingency Approach.

(1) Systematic Approach:- Systems management offers an alternative approach to the planning and management of organization. The system theory proposes that businesses like the human body consists of multiple components that work harmoniously so that the larger system can function optimally.

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## Two basic types of systems

- (1) Open System.
- (2) Closed System.

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## Two streams of Modern Management are:-

- (1) System<sup>atic</sup> Approach / Systematic Approach
- (2) Contingency Approach.

(1) Systematic Approach :- System management offers alternative approach to the planning and management of the organization.  
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### ⊗ Modern Management Theory

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### Two Streams :-

- (1) Systematic Approach
- (2) Contingency Approach

(1) Systematic Approach: System management ~~proposes~~ offers an alternative approach to planning and management of the organization.

→ System management theory proposes that businesses, like the human body consist of multiple components that work harmoniously so that the larger system can function optimally.

### Features of System Approach

- (i) An organization consists of many sub-systems.
- (ii) All the sub-systems are mutually dependent on each other.
- (iii) The sub-system should be studied in their inter-relationship rather than in isolation from each other.
- (iv) The organization provides a boundary, which separates it from other systems. It determines which parts are internal and which parts are external.
- (v) Organization is responsive to environmental effects. It is vulnerable to change in environment.

### Modern Management Theory

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Two streams of Modern Management Theory are:-

- (1) System Approach
- (2) Contingency Approach.

- (1) System Approach :- System management offers the use of alternative approach to planning and management of the organization. The ~~focus on~~ theory proposes that like human body, <sup>consists of</sup> all components that works harmoniously so that the larger system can function optimally.

### Features

- (1) An organization consists of sub-system
- (2) These sub-system are interdependent on each other
- (3) The sub-system should be studied as a whole rather than isolated.
- (4) The organization provides a boundary, which separates it from other system. It determines which part is internal and which is external
- (5) The organization is responsive to environmental effects.

### Two Types of system

- (1) Open system
- (2) Closed system.

(2) Contingency Approach :- A contingency approach to management is based on the assumptions that the optimal course of management action is depended upon the internal and external situation.

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A contingency approach to management is based on the optimal use of management action is depended upon the internal and external situations.

→ Management's action must change and adapt to specific situation as there is no best way to organize a company.

### Decision Making

Decision making means selecting a best course of alternative among two or more alternative which provides the best optimal plan to execute a problem solving.

#### Steps of Decision Making

- (1) Identifying the Problem -
- (2) Gather relevant information -
- (3) Identify the alternative -
- (4) Weigh the evidence
- (5) Choose among the alternatives
- (6) Take Action
- (7) Review your decision.

## Planning Process :-

- ① Setting Objective
- ② ~~Collecting relevant information~~ Develop Premise
- ③ Implementing Alternative Course of Action
- ④ Evaluating Alternative
- ⑤ Selecting Alternative
- ⑥ Implementing the plan
- ⑦ Follow up Action

## Decision Making Process

- ① Identify the problem
- ② Gather relevant information
- ③ Identify the alternative
- ④ Weigh the evidence
- ⑤ Select the alternative
- ⑥ Take the action
- ⑦ Review the decision

I - Decision Making Steps

- ① Identify the problem
- ② Gather relevant information
- ③ Identify the alternative
- ④ Weigh the evidence
- ⑤ Choose the alternative
- ⑥ Take Action
- ⑦ Review your decision

II - Planning Process

- ① Setting objectives
- ② Developing premises
- ③ Implementing the Alternative
- ④ Evaluating the Alternative
- ⑤ Selecting the Alternative
- ⑥ Implementing the plan
- ⑦ Follow up Action.

I - Decision Making

- ① Identify the problem
- ② Gather relevant information
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